

Joint Promotional Campaign

Print Book

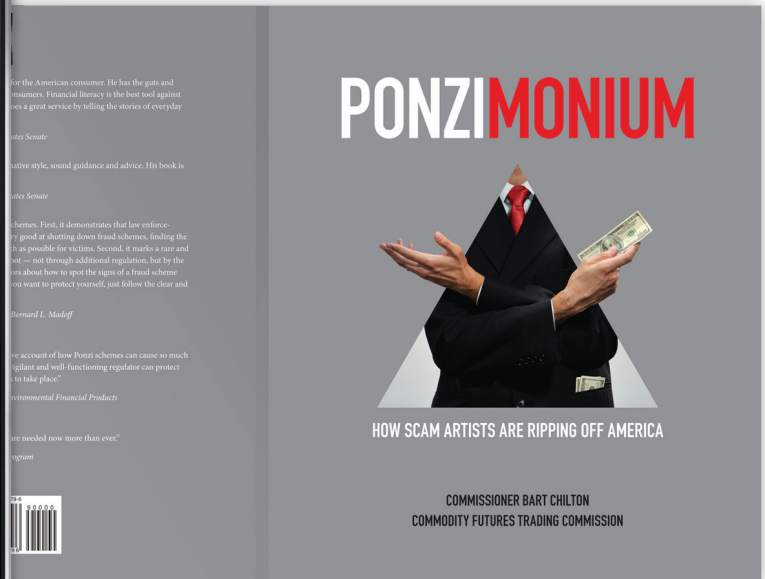
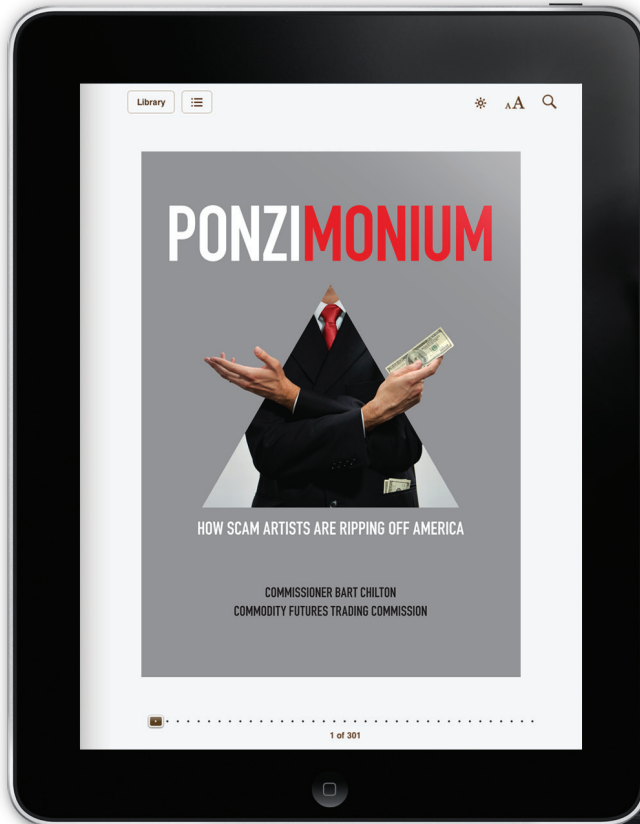
eBook

Web Promotion

eMail Promotion

Sales Channel Distribution

TV and Radio



a larger portion of investor losses resulted from Hudgins' use of their money to feed his self-indulgent lifestyle.²² Hudgins used his investors' money to purchase a 369-acre ranch on the Angelina River outside of Nacogdoches, 13 acres of timber, mineral rights, a fleet of classic sports cars, and a Beechcraft Baron airplane. He had a King Air Turboprop on order and was building a hangar for it when his Ponzi scheme collapsed. Ladies in New York, St. Louis, and Toronto received diamonds—one topping 3.2 carats—and jewelry from Hudgins, who may have charmed them while wearing one of his

twenty pairs of cowboy boots. The list of items located and seized by the receiver goes on (and on) for pages.²³

In February of 2009, the receiver made a partial distribution totaling \$24,007,404 to the victims of Hudgins' scheme, which represented 33.9% of approved claims. Thereafter, based on collection efforts following the first interim distribution, the receiver had cash on hand in the amount of \$3,344,650.

The receiver collected an additional payment of \$618,326 from Rosenthal Collins Group, LLC (RCG), the futures commission merchant

APPROX. AMOUNT COLLECTED

\$88,000,000

LOST IN TRADING

>\$28,000,000

PHANTOM PROFITS

\$17,000,000

PRISON SENTENCE

121 MONTHS

RESTITUTION ORDERED

\$71,000,000

FINAL DISTRIBUTION

39.4%

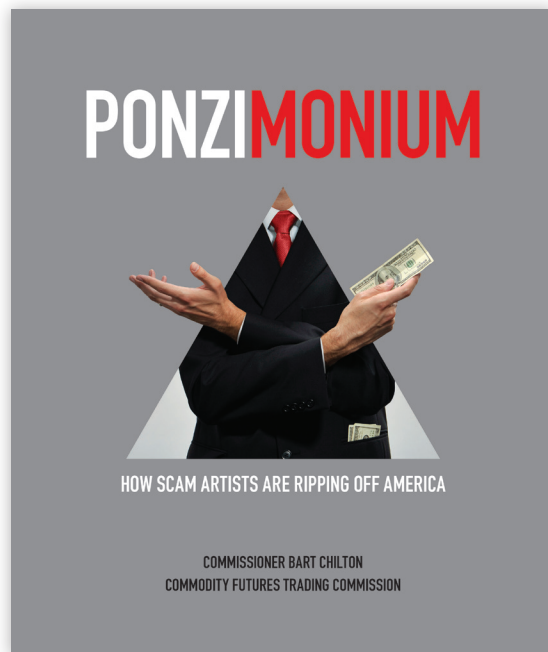
that handled Hudgins' accounts, which is the disgorgement RCG agreed to turn over to the receivership. The disgorgement was the result of a settlement between the CFTC and Rosenthal Collins, announced on October 4, 2010, following the Commission's tenacious pursuit of all parties sharing responsibility for the investors' losses.

Thereafter on October 18, 2010, the receiver petitioned the court to approve a final distribution in the amount of \$3,928,000, which the court approved. The final distribution represents an additional 5.54% distribution for a total distribution to the victims of 39.4%.

In the end, by virtue of the CFTC's quick action upon learning of Hudgins and the work of the receiver, the Department of Justice, the FBI, and the Texas Rangers, the victims of this Ponzi scheme will ultimately receive about 39.4% for every dollar they invested and lost with Hudgins.²⁴ That 39.4% is a phenomenal return in the world of Ponzi schemes, since misappropriated funds are often squandered in ways that make them impossible to recover.

Hudgins, who now resides at the Federal Correctional Institution in Butner, North Carolina, maintains that had the CFTC never caught on to his scheme that he would have turned it all around and made all the money he had promised. After all, according to Hudgins with regard to his newsletter, "Everything in there was true except the returns."²⁵

Joint Promotional Campaign



Client:

Commodity Futures Trading Commission

Project:

Ponzimonium

Objective:

Create a printed book and eBook highlighting scam artists and the costs of scam-related crimes to the public. Also, develop a joint promotion to make America more aware of scam artists and also promote the mission of the Commodity Futures Trading Commission.

Solution:

Using color photos and unique text treatments, a 4-color book was first produced with custom photography for the cover. The book was then tailored to an eBook format.

We created a special webpage on our online bookstore to promote the book. An email blast was sent to thousands of subscribers through our free "New Titles by Topic" email service. The book and eBook are also sold through our sales partners: Barnes & Noble and Google.

The Commodity Futures Trading Commission supported the book launch by having Commissioner Bart Chilton interviewed on various televisions and radio shows, including CNBC. The book, eBook and joint promotional efforts won a Blue Pencil Award of Excellence from the National Association of Government Communicators.



For additional information contact us at:

GPO Sales and Marketing at **202.512.1904** and speak to a National Account Manager
View and download additional information at **www.gpo.gov/onsite**